

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

February 26, 2013

Attendees: Jim Pinkerton, *Regence*; Dave Jackson, *FirstWest Benefit Solutions*; Tomasz Serbinowski, *UID*; Nancy Askerlund, *UID*; Jim Murray, *SelectHealth*; Perri Babalis, *Utah Attorney General*; Patty Conner (Proxy for Norm Thurston), *OCHS*; Sue Watson, *OCHS*; Jill Goodmansen, *OCHS*; Paul Anderton, *UID*; Lincoln Neehring, *Voices*; Lorraine Mayne, *Milliman*

Kim Miller, *UHC* (via telephone); John Borer, *PEHP* (via telephone); Ashley Hackett, *bswift* (via telephone); Jeanne Brandone, *eHealthApp* (via telephone); Jason, *UHPP* (via telephone); Tina Galegos, *eHealthApp* (via telephone)

- I. Meeting called to order at 1:02 p.m.
- II. January 22nd meeting minutes approved with corrections noted.
- III. John Borer with *PEHP*
 - a. Risk Adjustment & Premium Allocation subcommittee report
 - i. Did not meet since last meeting. How is participation tracked when individuals have the option to go into the individual market will be the next agenda item in the work group. Patty Conner will have another item to add to work group. Will need to review Certifi's work flow and work with Sue Watson to go over the premium allocation process.
- IV. Kim Miller with United HealthCare
 - a. Underwriting Subcommittee Report
 - i. Gave update on PEO groups. Decided to offer groups currently with PEO to be covered on AvenueH. Since a few groups have applied, the group must submit a copy of the co-employment agreement that spells out the small employer's ability to contract for and provide health care benefits and if agreement is unclear, must also include a written statement from the PEO, on their letterhead, stating their PEO agreement permits the client to contract for and provide health care benefits for their leased employees.
 - ii. Finalizing June groups in the next meeting as well as many open items
- V. Jim Murray with *SelectHealth*
 - a. Legal Subcommittee
 - i. No update on legal work group, but still working on other issues.
- VI. Insurance Department
 - a. No Update.

- VII. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information handed out can also be found at www.Avenueh.com.
- a. Exchange Statistics
 - i. Currently have 338 employer groups, 2,813 employees and total covered lives is 7953. Had a drop in covered lives due to a large group dropping from Avenue H.
 - ii. 90% of groups are renewing on Avenue H.
 - iii. Started tracking the prior coverage statistics as of 1/1/13. 73% of groups did not have prior cover prior to joining Avenue H.
 - iv. Marketing helped reach the new groups. Final campaign ended in January and still working on upcoming campaign. Not seeing a lot of groups coming in with a \$0 amount contribution. Patty went over reasons for groups contributing certain amounts including \$0 contribution.
 - b. Where are we with Avenue H?
 - i. February 5th Governor Herbert met with Secretary Sebelius and proposed a 4th option for Utah's Exchange. Not a state based, partnership, or federal. Bifurcated exchange, which means we will do one part and they will do the other. SERFF will be used for the plan management portion. HHS will handle the individual market. Medicaid eligibility will be determined by Utah. HHS assumes the premiums will be collected by the carriers and communicate back and forth with HHS on terminations, late payments, etc. Carriers would invoice for the net amount. Shop (Avenue H) will remain as is. Asked the feds not to operate a Shop along-side Avenue H. We would do everything that is done today. Tax credit for small employers would only be able to go to exchange for groups with less than 25 employees. Process with the carriers will be the same as today between OCHS. Small group market premiums will be done on Avenue H. Marketing and communication and customer service are still being worked out as different numbers and processes are being done. Keep the door open to keep risk adjustment on avenue H. Have not heard if this has been finalized. Still keep the risk adjustment at the state level but work with the Insurance Department. Asked HHS to accept the existing defined contribution process that is being done today. APCD could be the way to get information needed but not for new additions to the market. Utah may have the ability to pull in the individual market if the small group market works out in the future. Governor Herbert told Secretary Sebelius an answer was needed by March 13th. (Refer to word document handed out by Patty Conner for more information regarding the draft process). Large business will not be added anytime soon but will be in the future. Talked about the fixed dollar amount versus the % contribution amount for the small group market. Following areas will be affected: Health Applications, underwriting (GRF and IRFs), Rates, uploading and displaying benefits, Premium allocation (risk

adjustment), and annual risk adjustment. Groups will be coming into Avenue H to see rates and plans.

- ii. Would like to have a group browse rates and plans or a pre-look tool. Brought items up to the carrier round table last week and stated it needs to be assigned to RAB work groups. Is there a different way to do the participation check instead of sending to the carriers? Have group census information and wage and tax information and have a wizard calculate if a group meets participation. This tool will work best for the groups that clearly meet participation. Would like to invite carriers to come up a solution to build this. OCHS would like this tool to be owned by the group and not just OCHS as the risk is managed by the carriers involved. If they do not meet participation requirements, there is an open enrollment period of November 15 – December 15. Patty stated they would like to scope this out quickly and have the RAB workgroup review this. Need an answer within the next 2-4 weeks. Have agreed to use the underwriting workgroup to review.
- c. November and December 2013 business
 - i. Will have an old process and a new process come November and December 2013. Asked if we want to stop new groups for November and December of 2013 effective dates. This is to avoid any confusion with both processes happening. Still process all renewals at that time. Need to get feedback from the carriers on if this can be done.
- d. Groups enrolling off anniversary
 - i. Do we want to allow groups coming off anniversary to enroll in coverage? Based on his understanding of the rules and regulations, Dave Jackson does not see a large migration and groups will not move over until they have to due to ACA
- e. Life Events and New Hires
 - i. Process for life events and new hires post 2014 that does not require the health application. Possibly have the RAPA take this on and think of a different process that can be done. Otherwise OCHS will need to keep the application process around for another year. John will put on the agenda for the RAPA and include OCHS

VIII. Next Meeting will be March 26, 2012 at 1:00 pm

IX. Meeting adjourned at 2:52 p.m.